

## Message Text

UNCLASSIFIED

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ACTION TRSE-00

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 TAR-01 L-03 H-02 NSC-05

SS-15 STR-04 CEA-01 /097 W

----- 071488

R 171530Z JUN 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 9838

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 4849

PASS TREASURY DEPARTMENT FOR DEPUTY ASST. SEC.

PETER SUCHMAN

E.O. 11652: N/A

TAGS: ETRD, EFIN, BR

SUBJECT: BRAZILIAN GOVERNMENT REDUCES TAX ON SHOES BUT NOT  
FOR THOSE EXPORTED

1. ON JUNE 15, 1975 PRESIDENT GEISEL SIGNED A  
DECREE REDUCING, ON A PERMANENT BASIS, THE INDUSTRIAL  
PRODUCTS TAX (IPI) ON SHOES TO 4 PERCENT FROM 12  
PERCENT. AT THE SAME TIME, THE MINISTRY OF FINANCE  
ISSUED A CIRCULAR INDICATING THAT, FOR PURPOSES OF  
CALCULATING THE BENEFITS OF EXPORT INCENTIVES, THE  
RATE WILL BE MAINTAINED AT 12 PERCENT FOR EXPORTERS  
OF SHOES.

2. COMMENT: IN THE ABSENCE OF DETAILED DATA ON  
BRAZILIAN EXPORTERS OF SHOES, THE EMBASSY IS UNCERTAIN  
AS TO WHAT IMPACT THIS CHANGE WILL HAVE ON THE  
CALCULATIONS OF COUNTERVAILING DUTIES. WE ASSUME  
THAT THE CHANGE WILL AFFECT THE UTILIZATION OF  
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IPI CREDITS WHICH ARE COUNTERVAILABLE. EMBASSY

WOULD, THEREFORE, APPRECIATE ANY GUIDANCE WHICH  
TREASURY MAY BE ABLE TO PROVIDE WITH RESPECT TO  
THE HANDLING OF THIS MATTER WITH THE BRAZILIAN  
GOVERNMENT, PARTICULARLY IF THE REDUCTION IN THE  
IPI TAX REQUIRES AN ADJUSTEMENT IN THE COUNTER-  
VAILING DUTY RATES.

CRIMMINS

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CUSTOMS DUTIES, TAXES, SHOES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BRASIL04849  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750211-0113  
**From:** BRASILIA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750640/aaaabjya.tel  
**Line Count:** 68  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION TRSE  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 27 FEB 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <27 FEB 2003 by PhilliR0>; APPROVED <17 FEB 2004 by greeneet>  
**Review Markings:**

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EO Systematic Review  
06 JUL 2006

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**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BRAZILIAN GOVERNMENT REDUCES TAX ON SHOES BUT NOT FOR THOSE EXPORTED  
**TAGS:** ETRD, EFIN, BR  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006